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No. 93-1385

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OCTOBER TERM, 1993

NORTH AMERICAN VACCINE, INC., and
NATIONAL RESEARCH COUNCIL OF CANADA,
Petitioners,

v.

AMERICAN CYANAMID COMPANY and
PRAXIS BIOLOGICS, INC.,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

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PETITIONERS' REPLY BRIEF

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TABLE OF CONTENTS

	Page
INTRODUCTION	1
I. BOTH THE FEDERAL CIRCUIT AND RESPONDENTS HAVE MISAPPLIED THE HARMLESS ERROR DOCTRINE	2
II. RESPONDENTS' ARGUMENTS DEMONSTRATE THAT THE FEDERAL CIRCUIT IMPROPERLY ENGAGED IN FACT FINDING	5
III. THE PETITION IS CONSISTENT WITH PETITIONERS' ARGUMENTS TO THE FEDERAL CIRCUIT	7
CONCLUSION	8

TABLE OF AUTHORITIES

Cases	Page
Biodex Corp. v. *Lorendan Biomedical, Inc.*, 946 F.2d 850 (Fed. Cir. 1991), *cert. denied*, 112 S. Ct. 2957 (1992)	5
Carnegie Steel Co. v. *Cambria Iron Co.*, 185 U.S. 403 (1902)	5
Dennison Mfg. Co. v. *Panduit Corp.*, 475 U.S. 809 (1986)	5
H.H. Robertson Co. v. *United Steel Deck, Inc.*, 820 F.2d 384 (Fed. Cir. 1987)	6
Kotteakos v. *United States*, 328 U.S. 750 (1946)	2
Moeller v. *Ionetics, Inc.*, 794 F.2d 653 (Fed. Cir. 1986)	5
Panduit Corp. v. *Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir.), *cert. denied*, 481 U.S. 1052 (1987)	5
Seymour v. *Osborn*, 78 U.S. (11 Wall.) 516 (1871)	6
Webster Loom Co. v. *Higgins*, 105 U.S. (15 Otto) 580 (1882)	5

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PETITIONERS' REPLY BRIEF

INTRODUCTION

The Federal Circuit's affirmance of the judgment of noninfringement on "harmless error" grounds despite its rejection of the "basic reason" for the District Court's decision calls into question the fundamental relationship between the Federal Circuit and the United States District Courts in deciding patent cases. Although determining that "it was error . . . for the district court to conclude that the narrow scope of the article limits the scope of the patent claims," Pet. App. at 13a, the Federal Circuit did not remand. Instead, the Federal Circuit took it upon itself to determine the teachings of the patent disclosure and the meaning of technical terms in the claims, both of which are disputed questions of fact. Respondents' ac-

knowledgement that the Federal Circuit "viewed itself as capable of understanding the English language" of the patent crystallizes the procedural issue raised by this Petition. Opposition at 16.

The Federal Circuit made its findings without the benefit of having sat through a three-week trial, as the District Court did, in which five scientific witnesess gave testimony as to what the patent means to one skilled in the art. Respondents demonstrate the Federal Circuit's error in substituting its judgment for that of the District Court by devoting a substantial portion of their brief and appendix to the extensive testimony adduced at trial. *E.g.*, Opposition at 5-8, 17-20; Resp. App. at 12a-28a.

The issue raised by this Petition is not, as Respondents urge, "peculiar" to this case. Opposition at 21. Most patent cases involve similar questions of fact regarding the meaning of technical terms in patent claims and the teachings of patent disclosures. Because the Federal Circuit is the only Court of Appeals in the federal judicial system having jurisdiction over appeals from District Courts in patent cases, this Court should grant the Petition in order to clarify the Federal Circuit's appellate role.

I. BOTH THE FEDERAL CIRCUIT AND RESPONDENTS HAVE MISAPPLIED THE HARMLESS ERROR DOCTRINE

Respondents' basic position is that the District Court's error was harmless because it would have reached the same result even if it had not improperly relied on the inventor's article and speech. Opposition at 18, 21. Respondents engage in speculation when they purport to divine what the District Court would have done had it not erroneously relied on the article and speech. The proper standard is not "whether there was enough to support the result" but whether the District Court's judgment was "substantially swayed" or "influence[d]" by the error. *Kotteakos* v. *United States,* 328 U.S. 750, 765 (1946).

It could not be clearer that the District Court was "substantially swayed" and "influenced" by the article and speech in reaching its judgment of noninfringement. Containing no less than 33 references to the "article" and "speech," the District Court opinion reveals that those documents were at the heart of the District Judge's thought process. For example, the District Court stated: "[T]he most important point in the evidence" was the inventor's laboratory work as "made clear in his National Institute of Health speech and in the article he wrote in 1981," Pet. App. at 35a-36a; "the summary of the invention in the patent . . . is very, very close to the wording in that article," *id.* at 38a; "the concept of the speech and article was carried over into the patent," *id.* at 39a; and "the basic reason why I am holding in favor of the defendants on the question of interpretation" is that the inventor did not clearly express in the patent a desire to "broaden his patent beyond what was contained in the article and the speech," *id.* at 39a.

Respondents' suggestion that the District Court "relied principally on the claim language and the patent disclosure . . . standing alone" in finding noninfringement, Opposition at 20, is contradicted by the District Court itself. During trial the District Court clearly indicated that it very well might have reached the opposite result based on the wording of the patent alone:

> Look, if I just read the patent and I had nothing to do but stare at the language of the patent, I would find it a little difficult to give tremendous significance to the use of the singular rather than the plural. I think a person could talk about creating this linkage at a terminal end, and if some one created it at two terminal ends, they are in a sense doing it at a terminal end and then they're doing it again at a terminal end. And so there would be a pretty good argument that they have infringed the patent.

Tr. at 1622, Aug. 24, 1992.

In its opinion, the District Court similarly found:

> Now, as I've said many times during the trial, we cannot solve this problem by staring at the language and simply saying there is a singular indefinite article and a singular noun and that is that. It is perfectly possible, as an initial proposition, that the phrase "a terminal portion" is a generic term and could mean exactly what plaintiffs say it means.
>
> In order to solve the problem, we need to look at some of the other evidence that can be considered properly under the law on the question of interpretation.

Pet. App. at 34a.

After considering the large volume of highly technical evidence in the record, the District Court went out of its way to note that "the case is a close one." Pet. App. at 29a. Respondents assert that the District was simply being polite when it said this. However, in view of the Court's comments set forth above and its further statement that "the scales tip, not drastically, but I think they tip in favor of the defense," *id.* at 29a, the District Court obviously regarded the case as a close one.

It is the province of the District Court, not the Federal Circuit, to weigh the evidence, and it is manifestly inappropriate to apply the harmless error doctrine to a "close" case where the District Court's decision so clearly turned upon error.

II. RESPONDENTS' ARGUMENTS DEMONSTRATE THAT THE FEDERAL CIRCUIT IMPROPERLY ENGAGED IN FACT FINDING

Respondents argue that the Federal Circuit did not engage in fact finding because its "opinion is premised upon the language of the claims and the disclosure in the patent." Opposition at 16. They assert that "[t]he Federal Circuit properly viewed itself as capable of un-

derstanding the English language" and "looked to the disclosures in the patent, finding . . . no affirmative teaching of linking protein to both terminal portions . . . and a clear teaching away from crosslinking." *Id.* However, "what a patent teaches is fact finding, not interpretation." *Panduit Corp.* v. *Dennison Mfg. Co.*, 810 F.2d 1561, 1579 n.42 (Fed. Cir.), *cert. denied*, 481 U.S. 1052 (1987). The Federal Circuit must review such findings of fact under the "clearly erroneous" standard. *See Dennison Mfg. Co.* v. *Panduit Corp.*, 475 U.S. 809, 810-11 (1986).

A patent is a technical document whose teachings are to be interpreted through the eyes of a person skilled in the art, not a judge or lay person. *Carnegie Steel Co.* v. *Cambria Iron Co.*, 185 U.S. 403, 437-38, 441 (1902) ("[t]he specification of the patent is not addressed to lawyers, or even to the public generally" but "to those engaged and skilled in the art"); *Biodex Corp.* v. *Lorendan Biomedical, Inc.*, 946 F.2d 850, 862 (Fed. Cir. 1991), *cert. denied*, 112 S.Ct. 2957 (1992) ("claims are drafted to be read by those skilled in the art, rather than lay persons"); *Moeller* v. *Ionetics, Inc.*, 794 F.2d 653, 657 (Fed. Cir. 1986) ("the test of claim interpretation is directed to one skilled in the art").

The Federal Circuit is in no position to resolve disputes as to the meaning of technical terms in a claim or as to what a patent teaches to one skilled in the art. *See Webster Loom Co.* v. *Higgins*, 105 U.S. (15 Otto) 580, 585-86 (1882) ("as it cannot be expected that the court will possess the requisite knowledge [of a person of ordinary skill in the art], it becomes necessary that it should avail itself of the light furnished by the evidence to enable it to understand the terms used in the patent and the devices and operations described or alluded to therein.").

Here, the meaning of the patent claims and disclosure are questions of fact because they contain technical terms ("*Haemophilus* influenza") and "terms of art" ("linked . . . to a terminal of the polysaccharide" and "without

significant crosslinking") as to which "the testimony of scientific witnesses is indispensable." *Seymour* v. *Osborn*, 78 U.S. (11 Wall.) 516, 546 (1871). Indeed, the meaning of those terms was the central dispute at trial. Pet. App. at 30a, 2a, 5a. Thus, "resolution of factual issues as a basis for interpretation of the claim" was required. *H.H. Robertson Co.* v. *United Steel Deck, Inc.*, 820 F.2d 384, 389 (Fed. Cir. 1987). Indeed, the District Court expressly stated that extrinsic evidence was required to resolve the meaning of the disputed claim language. Pet. App. at 34a.

Not only did the Federal Circuit overstep its reviewing function by making fact findings as to technical terms and teachings of the patent, it did so by improperly usurping the District Court's role to weigh the trial testimony. The Federal Circuit credited some trial testimony and rejected or ignored other trial testimony. *Id.* at 10a. ("Dr. Jennings . . . testimony is of little weight"); *id.* at 11a (crediting testimony of Dr. Eby); *id.* at 4a-14a (not addressing the testimony of Dr. Schoolnik on infringement).

Respondents acknowledge that "the Federal Circuit rejected petitioners' testimonial evidence," but erroneously argue that the Federal Circuit did so "on legal grounds." Opposition at 16. Respondents' assertion that the Federal Circuit rejected Dr. Jennings' testimony as legally irrelevant is belied by the Federal Circuit's statement that his testimony was entitled to "little weight." Their assertion that the Federal Circuit rejected Dr. Schoolnik's testimony because of "his inability to explain" his interpretation of the claims amply demonstrates that the Federal Circuit was improperly making a credibility determination. Opposition at 17.

Finally, Petitioners' statement that the Federal Circuit's reliance on testimony of Dr. Eby is contrary to a critical fact finding of the District Court and the District Court's assessment of Dr. Eby's testimony was not a misrepresentation. Opposition at 18. The Federal Circuit relied on

Dr. Eby's testimony that *Haemophilus* influenza b can be made monofunctional, Pet. App. at 11a, whereas the District Court found *Haemophilus* influenza b "yields the difunctional result," *id.* at 41a.

The Federal Circuit is simply not empowered to weigh witness credibility, and its piecemeal, selective review of testimony was improper.

III. THE PETITION IS CONSISTENT WITH PETITIONERS' ARGUMENTS TO THE FEDERAL CIRCUIT

Respondents incorrectly argue that the position now taken by Petitioners in seeking certiorari is inconsistent with the position they took before the Federal Circuit. Petitioners seek certiorari because the Federal Circuit engaged in *de novo* fact finding as to the teachings of the patent disclosure and the meaning of disputed technical terms in the claims. Before the Federal Circuit, however, Petitioners argued that reversal follows as a matter of law from the District Court's fact findings.[1] At no time did Petitioners ask the Federal Circuit either to set aside the fact findings of the District Court or engage in its own fact finding. To the contrary, Petitioners urged that the ultimate question of claim construction "does not involve disturbing any of the district court's underlying factual determinations." Opposition at 14.

Respondent are wrong in asserting that Petitioners "invited the error" by the Federal Circuit. The Federal Circuit was well aware that "a genuine evidentiary conflict underlying the meaning of claim terms raises a question of fact." Pet. App. at 7a.

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[1] Petitioners argued that because (a) the patent claims and disclosure expressly include *Haemophilus* influenza, and (b) the District Court found that *Haemophilus* influenza b has protein linkages to both terminal portions of the polysaccharide, *i.e.*, "yields the difunctional result", Pet. App. at 41a, the claim must be construed as a matter of law to cover difunctionality. Appellants' Main Brief at 8-12 and Appellants' Reply Brief at 1-4.

However, the Federal Circuit appears to have carved out an exception to the "clearly erroneous" constraint on its power of review where the "questions . . . go to the heart of what the claims mean," stating: "It is a matter of law for this court to decide without special deference to the district court." *Id.* No such distinction can be made because all disputed claim terms affect the meaning of the claims and what they cover. Here, three weeks of trial testimony were directed to the meaning of the disputed claim terms in light of the teachings of the patent disclosure. Only the District Court was in a position to evaluate this evidence properly.

CONCLUSION

For the foregoing reasons and the reasons set forth in the Petition, Petitioners respectfully request that their Petition for a Writ of Certiorari be granted.

Respectfully submitted,

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